

Minutes of the Finance Committee

Wednesday, May 20, 2009

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl (Chair), Bill Zaborowski, Jim Heinrich, Pamela Meyer, and Steve Wimmer. Rob Hutton arrived at 8:35 a.m. Heinrich left the meeting at 9:29 a.m. and Hutton left at 11:40 a.m. **Absent:** Jean Tortomasi.

Also Present: Chief of Staff Mark Mader, Business Manager Betsy Crosswaite, Senior Buyer Diane Knoll, Wisconsin Coach Lines Vice President Tom Dieckelman, Senior Financial Analyst Bill Duckwitz, Interim Public Works Director Allison Bussler, UW-Extension Director Marcia Jante, Parks & Land Use Director Dale Shaver, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Senior Financial Analyst Clara Daniels, Senior Financial Analyst Lyndsay Johnson, Sheriff Dan Trawicki, Federated Library Director Tom Hennen, Librarian Lori Frye, Administration Director Norm Cummings, Labor Relations Manager Jim Richter, Principal Financial Projects Analyst Bob Ries, Emergency Management Coordinator Bill Stolte, Health & Human Services Director Peter Schuler, and Public Health Manager Nancy Healy Haney. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 4-22-09

MOTION: Heinrich moved, second by Zaborowski to approve the minutes of April 22. Motion carried 5-0.

Schedule Next Meeting Dates

June 3rd

Chair's Executive Committee Report of 5-11-09

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- Denied a tax intercept appeal. The citizen failed to appear.
- Heard a 2008 year-end update on capital projects including those that may qualify for federal stimulus dollars.

Hutton arrived at 8:35 a.m.

- Discussed the CTH TT bypass proposal.
- Approved the appointments and ordinances that were included in the last yellow packet.

Announcements

Mader referred to the CTH TT bypass and said at least two pieces of legislation will be coming forward, probably in July, regarding funding for the Economic Impact Statement and perhaps to approve the contract.

Zaborowski would like a study done on how to make the golf courses profitable. Mader said Shaver will be appearing in June to review the 10-year golf course analysis and this would be an appropriate time to discuss that issue.

Contract Procurement Process for Transit Administration Services

Crosswaite advised the contract was awarded to the City of Waukesha Transit Commission for a total first year contract cost of \$114, 000. Knoll advised they solicited various providers under this commodity but only the City of Waukesha Transit Commission responded. She explained that vendors must be able to apply for federal funding for the transit system and only government agencies qualify. Therefore, this limited the number of responses. Crosswaite advised the contract will start January 1, 2010. Years two through five will assume 4% increases. The first year budgeted amount was listed as “to be determined.”

MOTION: Heinrich moved, second by Wimmer to approve the contract procurement process for transit administration services. Motion carried 5-0. Zaborowski abstained from voting.

Ordinance 164-O-016: Authorize Waukesha County University Of Wisconsin Extension Office To Accept The Greater Milwaukee Foundation Grant For The Healthy West Side Neighborhood Initiative

Jante discussed this ordinance as outlined which authorizes the department to accept grant funds totaling \$35,000 from the Greater Milwaukee Foundation, a non-profit agency, to expand the Neighborhood Revitalization Program by adding the Dopp Park neighborhood in the City of Waukesha. The program promotes neighborhood leadership development, housing revitalization and streetscaping, and financial management literacy. Jante noted this is a one-year grant.

MOTION: Wimmer moved, second by Meyer to approve Ordinance 164-O-016. Motion carried 6-0.

Overview of the Energy Efficiency Conservation Block Grant

Shaver advised it is likely the County will receive stimulus funding in August from the U.S. Department of Energy totaling about \$2.2 million. The application deadline is June 25 and staff are working to submit it ahead of time. The funds must be spent within a 36-month period. Basically anything energy related would be eligible including biomass digesters, rideshare programs, traffic lights, etc. Shaver said 50% of the funds would be upfront and the balance would be allotted as we show progress on our objectives. Up to 10% of the grant can be used for administrative costs, up to 20% can be used for a revolving loan, and 20% can be used as sub-grants to other organizations.

The money will be used to help launch the County’s sustainability plan. A sustainability team was formed to carry out this plan and the funds will be used, for example, to upgrade lighting, install a geo-thermal system at Retzer, upgrade plumbing fixtures, and create a revolving loan program for green projects carried out by local businesses. Shaver said they will look into forming a block grant board to oversee the revolving loan program which will include both governmental oversight and local business representation. The grant application will be submitted and if awarded, an ordinance will be forthcoming. The funds will be incorporated into 2010 and 2011 County budgets. Zaborowski supported the idea of a revolving loan program for attracting more business to the County. Swartz noted we will see a return on investment in the 2010 budget for some base utility savings and about \$400,000 will be invested for energy efficiency.

Heinrich left the meeting at 9:29 a.m.

Year-End Report on Special Revenue Funds

Swartz and Witkowski discussed their report as outlined entitled “2008 Year-End Budget Monitoring Summary Report – Special Revenue Fund Operations.” Year end favorable results (excluding Community Development Block Grant [CDBG] and Tarmann Fund) show under budget spending by \$3.6 million or 3.6%. Revenues were under achieved by \$1.5 million or 2.0% based on lower spending levels. There was an overall favorable budget variance (end year in black) by \$2.1 million. The Transportation Fund will repay \$340,000 back to the contingency fund for additional State Highway revenues achieved and less expenditure appropriations used than the year end ordinance estimated for winter snow removal and storm costs. Favorable results in the Long Term Care fund are mainly due to intentionally under budgeting Community Aids revenues in order to generate fund balance (about \$1.1 million) to make required future years payments back to the State Department of Child and Family Services for the Family Care Program.

Staff went on to review each fund including total budget, remaining balance, etc. Those funds that showed a favorable 2008 budget variance at year-end were Health & Human Services (\$1,539,700); Aging & Disability Resource Center (\$102,500); ADRC – Elderly Nutrition (\$29,600) Public Works Transportation (\$378,666); Federated Library – County (\$0); Federated Library – State Aids and Federal (\$31,600); Parks & Land Use – Land Information Systems (\$3,500); and Parks & Land Use – Tarmann (\$302,900). Those funds that showed an unfavorable 2008 budget variance at year-end were the Corporation Counsel– Child Support Fund (-\$18,000); and CDBG (-\$233,600).

MOTION: Wimmer moved, second by Zaborowski to accept the 2008 year-end special revenue funds report. Motion carried 5-0.

Ordinance 164-O-017: Amend Sheriff’s Department 2009 Budget Expenditure Of Office Of National Drug Control Policy Cooperative Agreement Funds (2)

Trawicki discussed this ordinance as outlined which authorizes the department to accept a \$40,000 grant from the Milwaukee High Intensity Drug Trafficking Area (HIDTA). He advised that \$26,500 will be used to purchase a standard size pick up truck to transport evidence and for garbage picks (for search warrant purposes). He indicated \$10,000 will be used to purchase 13 Blackberry phones for interoperability purposes between officers, and lastly, \$3,500 will be used to pay for approximately 63 hours of deputy overtime for additional drug enforcement activities.

Meyer thought the cost for the blackberry phones was excessive. Trawicki was not sure why that was the cost nor was he aware of any specific features the phones might include.

MOTION: Meyer moved, second by Zaborowski to approve Ordinance 164-O-017. Motion carried 5-0.

Ordinance 164-O-015: Endorse The Receipt And Expenditure Of Federal Funds To Increase Library Services To People Who Are Unemployed And Modify The 2009 Federated Library System Budget

Hennen advised this \$13,200 grant from the State Department of Public Instruction will be used to help with unemployment and job searches. The funds will be used to purchase a one-year subscription to LearningExpress Library, an online resource that contains interactive courses and practice tests to help people improve their job skills, test preparation, and other basic skills. To

answer Hutton's question, Hennen said this was not a duplication of existing services. Hennen noted that \$550 will be used to promote the service.

MOTION: Meyer moved, second by Wimmer to approve Ordinance 164-O-015. Motion carried 4-1. Hutton voted no.

Ordinance 164-O-021: Create Workforce Development Center Coordinator Position

Cummings and Richter were present to discuss this issue. The ordinance authorizes the creation of a Workforce Development Coordinator position in open pay range 12 in the Department of Administration General Fund Business Office budget. The WDC has had difficulty maintaining a contracted operations manager due to a lack of employee benefits. After participating agencies explored their options, it was determined that the best solution to obtaining stable management would be for one of the WDC partner agencies to hire a full-time coordinator position.

This ordinance increases the DOA General Fund Personnel Cost and Other Revenue budget appropriations to cover the estimated partial-year 2009 cost of salary and benefits for this position, estimated at \$59,500. The full-year direct personnel cost impact for 2010 is estimated to be \$105,900. There will be a Memorandum of Understanding among WDC partner agencies establishing that all direct personnel and operation costs associated with this position will be funded by assessments to all partner agencies (that previously paid for the contracted position, mentioned above). If this funding is reduced below the full direct cost of the position or terminated, this position will be reduced or terminated accordingly.

MOTION: Wimmer moved, second by Meyer to approve Ordinance 164-O-021. Motion carried 5-0.

Resolution 164-R-003: Support Waukesha County Voluntary Unpaid Leave Program For 2009

Richter said this program would begin on June 1, 2009 and end on December 31, 2009. All employees' accrued benefits, such as vacation and floating holidays, do not have to be exhausted before voluntary unpaid leave is requested. All leaves will be voluntary and without compensation. Cummings said this is a good opportunity to get valuable experience if they have to implement a mandatory program next year. Cummings said, for example, 100 employees taking one day off will result in a savings of about \$25,000. He added that 40 vacant positions will not be filled.

Hutton felt the program should be mandatory and did not believe anybody would be willing to take voluntary unpaid leave. Cummings defended it being voluntary. While he did anticipate a reduction in County revenues, he said we do not have the same fiscal problems as some other levels of governments nor did he anticipate County budget deficits for this year or next year. Cummings said he has already heard several employees, in his department alone, express an interest in taking voluntary unpaid leave. Zaborowski said he could not support this program. He referred to the "past-practice" concept in unions and explained this as a reason the proposed program could become a problem. Haukohl did not think this would be a union issue because it is voluntary.

MOTION: Meyer moved, second by Wimmer to approve Resolution 164-R-003. Motion carried 4-1. Zaborowski voted no.

Hutton left the meeting at 11:40 a.m.

1st Quarter Report on Investments

Ries discussed his report as outlined which included information on valuation at cost, valuation at market, and average daily balance; total County investment income, total County investment balances, and total county average investment rates; and investment portfolio by investment advisor and by investor type.

The return for the quarter was down six basis points from the last quarter to 0.89%. The decrease was due largely to a significant increase in money market balances, which due to very low short term interest rates, are the lowest yielding investments. The Federal Reserve has lowered the Fed Funds rate from 4.25% at the start of 2008 to the current target rate of 0-0.25. The Fed continues to cite a very weak economy, as well as credit market concerns as reasons for reducing rates to an unprecedented low level.

The decrease in rates has had the greatest impact on the money market funds as well as the money market component of the managed portfolios. Money market returns averaged 0.66% during the 1st quarter, down from 1.39% in the previous quarter, and 3.42% in the 1st quarter of 2008.

In order to mitigate the effects of the very low short term interest rates, \$15 million was transferred out of the State Pool in March, with \$10 million being invested with Dana and \$5 million with Galliard. The overall return on investments for the County for the last four quarters was 3.65%, down 20 basis points from the 4th quarter and down from 4.56% from the 1st quarter of 2008.

MOTION: Meyer moved, second by Wimmer to accept the 1st quarter report on investments. Motion carried 4-0.

Ordinance 164-O-018: Accept Homeland Security-Urban Area Security Initiative FY2008 Program Funding And Modify The Emergency Preparedness 2009 Budget To Appropriate Grant Revenues And Expenditures For Emergency Operations Center Upgrades

Stolte discussed this ordinance which involves accepting additional grant funds totaling \$12,500 to add wireless networking functionality to the County's Emergency Operations Center through the purchase of portable computers, wireless access to printers, and wireless access to internet resources. The upgrades will allow County departments and outside agencies assisting with County disaster response to use laptop computers at the EOC to access the internet and EOC printers. It will also allow other municipalities to utilize the EOC for emergency operations should their facilities be inaccessible due to acts of terrorism or other emergency response events.

MOTION: Wimmer moved, second by Zaborowski to approve Ordinance 164-O-018. Motion carried 4-0.

Ordinance 164-O-019: Accept Homeland Security-Urban Area Security Initiative FY2008 Program Funding And Modify The Emergency Preparedness 2009 Budget To Appropriate Grant Revenues And Expenditures For Respiratory Fit Testing Equipment

Tuma said this \$14,804 grant will be used to purchase one respiratory fit testing machine which will be available to all County agencies to ensure that breathing masks fit first responders properly. This

is the result of the recent Swine Flu outbreak. Tuma said the Public Health Division also has one and this additional unit will allow them to test that many more people.

MOTION: Wimmer moved, second by Zaborowski to approve Ordinance 164-O-019. Motion carried 4-0.

Ordinance 164-O-020: Accept Homeland Security-Urban Area Security Initiative FY2008 Program Funding And Modify The Emergency Preparedness 2009 Budget To Appropriate Grant Revenues And Expenditures For Citizen Preparedness Activities

Stolte advised the Citizen Preparedness Program began in 2006 and they have been able to expand this program to other counties/municipalities. This \$250,000 federal grant will be used to pay for a limited term employee to coordinate citizen preparedness activities (\$64,062); travel and training expenses (\$8,100); advertising and promotion (\$46,629); CERT class instruction (\$79,081); office supplies (\$1,000); small equipment (\$9,919); COAD activities (\$19,949); the READY Program (\$10,000); the Medical Reserve Corps. (\$10,000); and interdepartmental charges (\$1,260).

MOTION: Zaborowski moved, second by Meyer to approve Ordinance 164-O-020. Motion carried 4-0.

Fund Transfer 09-363160-1: Public Health – Transfer Funds from Operating Expenses to Fixed Assets

Healy Haney was present to discuss this issue as outlined which involves transferring \$11,725 of state/federal pandemic grant funds to purchase a second N-95 respirator machine to enhance preparedness for Public Health emergencies. During the current H1N1 flu outbreak, there had been many requests for fit testing and having a second machine would have prevented delays.

MOTION: Wimmer moved, second by Zaborowski to approve Fund Transfer 09-363160-1, Public Health. Motion carried 4-0.

Fund Transfer 09-363160-2: Public Health – Transfer Funds from Operating Expenses to Fixed Assets

Healy Haney discussed this issue as outlined which involves transferring \$11,758 of state/federal pandemic grant funds to purchase a surveillance monitor for the Public Health waiting room. This room has become congested with clients and there is a potential for injuries, particularly in the children's play area.

MOTION: Wimmer moved, second by Zaborowski to approve Fund Transfer 09-363160-2, Public Health. Motion carried 4-0.

MOTION: Wimmer moved, second by Meyer to adjourn at 12:30 p.m. Motion carried 4-0.

Respectfully submitted,

Approved on: _____

Pamela Meyer
Secretary